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OF ORIGINAL FILED
Los Angeles Superior Court

DEC 05 2005

John A. Clarke, Executive Officer/Clerk
By _____, Deputy
J. SUNGA

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 FOR THE COUNTY OF LOS ANGELES

15 THE PEOPLE OF THE STATE OF
16 CALIFORNIA, by and through the California
17 Corporations Commissioner,

18 Plaintiff,

19 v.

20 LEEDHA, INC., d.b.a. Flintridge Asset
21 Management Company, a California
22 Corporation;
23 EARL D. ANSCHULTZ, an individual; and
24 DOES 1 through 10, inclusive,

25 Defendants.

CASE NO. 80343931

COMPLAINT FOR TEMPORARY
RESTRAINING ORDER, PRELIMINARY
INJUNCTION, PERMANENT INJUNCTION,
ANCILLARY RELIEF AND SPECIFIC
PERFORMANCE OF CONTRACT

VIOLATIONS OF CALIFORNIA
CORPORATIONS CODE SECTION 25230
(UNLICENSED INVESTMENT ADVISER)

VIOLATIONS OF CALIFORNIA
CORPORATIONS CODE SECTION 25235(b)
(TRANSACTION, PRACTICE OR COURSE
OF BUSINESS TO DEFRAUD)

CALIFORNIA CORPORATIONS CODE
SECTION 25530
(INJUNCTION FOR VIOLATIONS OF BAR
ORDER ISSUED BY THE CALIFORNIA
CORPORATIONS COMMISSIONER)

CALIFORNIA CORPORATIONS CODE
SECTION 25530
(INJUNCTION FOR VIOLATIONS OF
DESIST AND REFRAIN ORDER ISSUED
BY THE CALIFORNIA CORPORATIONS
COMMISSIONER)

CALIFORNIA CIVIL CODE SECTION 3384
(SPECIFIC PERFORMANCE OF
CONTRACT)

1 Wayne Strumpfer, Acting California Corporations Commissioner ("Commissioner"), acting
2 to protect the public from unlawful activities by an unlicensed investment adviser, brings this action
3 in the public interest in the name of the People of the State of California. The People of the State of
4 California allege as follows on information and belief:

5 **JURISDICTION AND VENUE**

6 1. The Commissioner brings this action to enjoin the defendants from violating the
7 provisions of the California Corporate Securities Law of 1968 ("CSL") (Cal. Corp. Code Sections
8 25000 et seq.) and to request necessary equitable and ancillary relief. The Commissioner is
9 authorized to administer and enforce the provisions of the CSL and the regulations thereunder at
10 Title 10, California Code of Regulations, sections 260.000 et seq.

11 2. The Commissioner brings this action pursuant to California Corporations Code Section
12 25530 and California Government Code Section 11180 et seq. in his capacity as head of the
13 California Department of Corporations ("Department").

14 3. Defendants have transacted business within Los Angeles County and other counties in
15 California. Defendants principle place of business is located in Los Angeles County. The
16 violations of law described herein have occurred and will continue to occur, unless enjoined, within
17 Los Angeles County and elsewhere within the state of California.

18 **DEFENDANTS**

19 4. Defendant Leedha, Inc., d.b.a. Flintridge Asset Management Company ("Leedha") is a
20 California corporation. Leedha's last known business address is in the County of Los Angeles at
21 2540 Huntington Drive, Suite 104, San Marino, California 91108.

22 5. Defendant Earl D. Anschultz ("Anschultz") is an individual and is a resident of Los
23 Angeles County. Anschultz is and was conducting business in the County of Los Angeles and
24 elsewhere within California. Anschultz was at all relevant times the president and owner of Leedha.

25 6. Defendants Does 1 through 10, inclusive, are persons, corporations, or other entities
26 that have done or will do acts otherwise alleged in this Complaint. Plaintiff is informed and
27 believes, and on such information and belief alleges, that Defendants Does 1 through 10 inclusive, at
28 all times mentioned herein have acted and are continuing to act in concert with the Defendants

1 named herein, and that each of them has participated in the acts and transactions which are the
2 subject of this Complaint. The true names and capacities of Does 1 through 10, whether individual,
3 corporate, or otherwise, are unknown to Plaintiff, who therefore sues such Defendants under such
4 fictitious names, pursuant to the provisions of section 474 of the California Code of Civil Procedure.
5 Plaintiff asks leave of the court to amend the complaint to allege the true names and capacities of
6 such Defendants at such time as the same have been ascertained.

7 7. Plaintiff is informed and believes and on such information and belief alleges that, at all
8 relevant times, the defendants named as officers, directors, agents or employees, acted in such
9 capacities in connection with the acts, practices and schemes of business set forth below.

10 8. Whenever any allegation is made in this Complaint to "Defendants" doing any act, the
11 allegation shall mean the act of each individual Defendant acting individually, jointly and severally
12 and the conspiring of these Defendants to so act. Each Defendant alleged to have committed any act
13 did so pursuant to and in furtherance of a common plan, scheme and conspiracy and as the agent for
14 each and every co-defendant. Each Defendant acted in conspiracy to violate the provisions of the
15 CSL.

16 9. Plaintiff is informed and believes and on such information and belief alleges that, at all
17 relevant times, each and every Defendant, directly or indirectly controlled other co-defendants by
18 knowingly inducing, or by knowingly providing substantial assistance to other co-defendants, to
19 violate the provisions of the CSL, as alleged in this Complaint within the meaning of California
20 Corporations Code section 25403.

21 10. Whenever any allegation is made in this Complaint to any of the corporate Defendants
22 doing any act, the allegation shall mean acts done or authorized by the officers, directors, agents, or
23 employees of the corporate Defendants while actively engaged in the management, direction, or
24 control of the affairs of the corporate Defendants, and while acting within the course and scope of
25 their employment.

26 11. Plaintiff is informed and believes and on such information and belief alleges that, at all
27 relevant times herein mentioned, Leedha continued in existence as an alter ego of Anschultz
28 pursuant to a scheme to offer investment adviser services.

12. At all times herein mentioned, defendant Leedha was so influenced and controlled by Anschultz in the conduct of its business and affairs that there existed a unity of interest and ownership among said parties so that adherence to the fiction of separate corporate and individual existences serves to work an injustice upon the public.

STATEMENT OF FACTS

13. At all relevant times, Anschultz was the owner and president of Leedha. Leedha was a California corporation, formed in February 1990, which was suspended on July 3, 2000. Leedha was located at 2540 Huntington Drive, Suite 104, San Marino, California 91108.

14. On June 1, 1990, Leedha filed an application with the Commissioner for an investment adviser certificate.

15. On July 3, 1990, the Commissioner issued Leedha an investment adviser certificate.

16. On October 8, 1996, the Commissioner issued an Order summarily suspending Leedha's investment adviser certificate for its failure to maintain books and records and tangible net capital in accordance with Corporations Code section 25241 and California Code of Regulations, title 10, sections 260.241.2 and 260.241.3. In this Order, Leedha was given 30 days to come into compliance. If Leedha failed to comply within 30 days, a revocation order would be issued. Leedha failed to comply within 30 days as demanded. Therefore, on December 26, 1996, the Commissioner set aside the Order of Suspension and issued a Summary Revocation Order for Leedha's books and records violations.

17. On March 20, 2001, the Commissioner received a customer complaint showing that Leedha was acting as an investment adviser. During this time period, Leedha did not have an investment adviser certificate. On April 26, 2001, the Commissioner issued a Desist and Refrain Order to Leedha and Anschultz for engaging in unlicensed investment adviser activity.

18. In October 2001, the Commissioner and Anschultz entered into an agreement signed by both parties entitled "Undertaking". Pursuant to the Undertaking, the Commissioner once again issued an investment adviser certificate to Leedha on October 30, 2001. In the Undertaking, however, the Commissioner imposed conditions on Leedha's new investment adviser certificate, requiring Leedha to file the following: 1) monthly reports with the Commissioner stating that Leedha

1 was in compliance with the capital requirements of California Code of Regulations, title 10, section
2 260.237.1, except that if during the first 12 months of the reporting period there were no violations
3 of Section 260.237.1, the reports were due quarterly; and 2) quarterly reports stating that Leedha was
4 in compliance with the books and records requirements of California Code of Regulations, title 10,
5 sections 260.241.1, 260.241.2 and 260.241.3, except that if during the first 12 months there were no
6 violations, then the reports were due biannually. Both reports were due within fifteen days of the
7 period covered and were to continue for a two year period until October 31, 2003.

8 19. On May 1, 2003, the Commissioner commenced a field examination of Leedha. As a
9 result of this examination, the Commissioner determined that Leedha had violated the terms of the
10 Undertaking, which entitled the Department to summarily revoke Leedha's investment adviser
11 certificate.

12 20. During its May 2003 examination, the Commissioner not only determined that Leedha
13 failed to comply with the terms of the Undertaking, but also discovered that Leedha continued to
14 violate the same books and records requirements by failing to comply with California Code of
15 Regulations, title 10, sections 260.241.2 and 260.241.3, by not filing an annual financial report, and
16 by failing to maintain specific books and records, respectively. Furthermore, Leedha misrepresented
17 to its clients the nature of the investment advisory fees charged, by not fully and clearly disclosing
18 that clients would also be charged a fee based on assets that included securities purchased on margin.
19 Leedha also overcharged some clients by double billing, calculating fees based on overvalued assets,
20 charging clients fees while unlicensed and for charging on margin balances.

21 21. On August 17, 2004, the Commissioner served Leedha and Anschultz by certified mail
22 with administrative pleadings to revoke Leedha's certificate as an investment adviser, bar Anschultz
23 from any position of employment, management or control of any investment adviser, broker dealer
24 or commodity adviser, to levy administrative penalties and for ancillary relief in the form of
25 disgorgement and costs ("Administrative Pleadings").

26 22. On or about August 23, 2004, Defendants Leedha and Anschultz received the
27 Administrative Pleadings. On or about August 26, 2004, Defendants filed Notices of Defense with
28 the Commissioner, requesting a hearing. The hearing was scheduled to start June 30, 2005.

1 23. On June 29, 2005, in lieu of a hearing on the Administrative Pleadings, the
2 Commissioner and Defendants Leedha and Anschultz executed a Stipulation ("Stipulation")
3 agreeing to the following: 1) an Order permanently barring Anschultz from any position of
4 employment, management and control of any investment adviser, issued on October 1, 2005; 2)
5 Leedha's surrender of its investment adviser license, by no later than October 1, 2005, with the
6 provision that if Leedha did not surrender its investment adviser license by October 1, 2005, then the
7 Commissioner could immediately revoke Leedha's investment adviser license and Leedha and
8 Anschultz waived their rights to a hearing or appeal pursuant to the CSL or any other relevant
9 provision of law; 3) that Leedha and Anschultz may not take on any new clients and may not
10 overcharge any existing clients, with the provision that if the Department determined that Leedha
11 charged fees in excess of the fees stated in the clients' current investment advisory agreement from
12 the date the Stipulation was entered until October 1, 2005, then Leedha agreed to pay a fine in the
13 amount of \$5,000 for each client overcharged; 4) Leedha will disgorge any overcharged investment
14 advisory fees, which are estimated to be approximately \$55,056.25, to its investment adviser clients
15 and must provide proof that the clients have been reimbursed by no later than December 31, 2005; 5)
16 that Leedha would contact its clients in writing within ten (10) days from the date of the execution of
17 the Stipulation, disclose the Stipulation, including the stipulated Order permanently barring
18 Anschultz, and to provide proof to the Department that it has done so; and 6) that Leedha will
19 cooperate with two field examinations to occur sometime within one year from the date the
20 Stipulation is executed and that Leedha must either provide adequate space for the examination
21 where the books and records are maintained or bring all books and records to the Department for the
22 exam.

23 24. The Stipulation also provided that the Commissioner would waive its administrative
24 penalties and costs.

25 25. On October 1, 2005, the Commissioner issued the stipulated order permanently barring
26 Anschultz from any position of employment, management and control of any investment adviser.
27 On October 3, 2005, after Leedha failed to surrender its investment adviser license by October 1,
28

1 2005, as agreed to in the Stipulation, the Commissioner issued an Order Revoking Certificate to
2 Leedha.

3 26. In or about September 2005 and continuing thereafter, Anschultz solicited clients to act
4 as their financial consultant. Anschultz sent a written proposal to some clients, offering to act as a
5 financial consultant in an individual capacity for a fee, as of October 1, 2005, and after. The written
6 proposal states that Anschultz as an individual will advise on client investment portfolios, execute
7 trades with brokers with the client's limited power of attorney, and work for a fixed monthly fee.

8 **FIRST CAUSE OF ACTION**
9 **UNLICENSED INVESTMENT ADVISER ACTIVITY**
10 **IN VIOLATION OF CALIFORNIA CORPORATIONS CODE SECTION 25230**
(Against Defendant Anschultz)

11 27. Plaintiff incorporates by reference paragraphs 1 through 26 of this Complaint as though
12 fully set forth herein.

13 28. California Corporations Code Section 25230, in relevant part, provides:

14 (a) It is unlawful for any investment adviser to conduct business as an investment
15 adviser in this state unless the investment adviser has first applied for and secured
16 from the commissioner a certificate, then in effect, authorizing the investment adviser
17 to do so or unless the investment adviser is exempted by the provisions of Chapter 1
18 (commencing with Section 25200) of this part or unless the investment adviser is
19 subject to Section 25230.1.

20 29. California Corporations Code Section 25009, in relevant part, provides that:

21 (a) "Investment adviser" means any person who, for compensation, engages in the
22 business of advising others, either directly or through publications or writings, as to
23 the value of securities or as to the advisability of investing in, purchasing or selling
24 securities, or who, for the compensation and as part of a regular business, publishes
25 analyses or reports concerning securities...

26 30. California Corporations Code Section 25013 defines a person, in relevant part, as:
27
28

1 ... an individual, a corporation, a partnership, a limited liability company, a joint
2 venture, an association, a joint stock company, a trust, an unincorporated
3 organization, a government, or a political subdivision of a government.

4 31. On June 29, 2005, in accordance with the Stipulation, Defendant Anschultz agreed to,
5 among other things, an Order permanently barring Anschultz from any position of employment,
6 management and control of any investment adviser, effective October 1, 2005. The Commissioner
7 issued this Order on October 1, 2005. Furthermore, on October 3, 2005, in accordance with the
8 Stipulation, the Commissioner revoked Leedha's investment adviser certificate.

9 32. In or around September 2005 and continuing thereafter, including after October 1,
10 2005, Defendant Anschultz held himself out to clients as a financial consultant. Orally, and in a
11 written proposal to some clients, Defendant Anschultz as an individual offered to advise on client's
12 investment portfolios and execute trades with brokers with client's limited power of attorney for a
13 fixed monthly fee, as of October 1, 2005. Therefore, Defendant Anschultz is conducting business as
14 an investment adviser in the State of California.

15 33. Defendant Anschultz continues to engage in the business of advising clients as to the
16 value of securities and as to the advisability of purchasing and selling securities for compensation,
17 after his bar from the investment adviser industry and the revocation of Leedha's investment adviser
18 certificate, and as such is acting as an investment adviser within the meaning of California
19 Corporations Code Section 25009.

20 34. Defendant Anschultz, by acting as an investment adviser within the meaning of
21 California Corporations Code Section 25009 without a certificate from the Commissioner, is
22 conducting unlicensed investment adviser business in violation of California Corporations Code
23 Section 25230.

24 35. Defendant Anschultz is conducting investment adviser business that is not exempt from
25 the licensing requirements mandated by California Corporations Code Section 25230. Unless
26 enjoined by this Court, Anschultz will continue to violate California Corporations Code Section
27 25230.

SECOND CAUSE OF ACTION
TRANSACTION, PRACTICE OR COURSE OF BUSINESS TO DEFRAUD BY AN
INVESTMENT ADVISER IN VIOLATION OF CALIFORNIA CORPORATIONS CODE
SECTION 25235(b)
(Against Defendant Anschultz)

36. The Commissioner incorporates by reference paragraphs 1 through 35 of this complaint as though fully set forth herein.

37. California Corporations Code Section 25235, in relevant part, provides:

It is unlawful for any investment adviser, directly or indirectly, in this state:

(b) To engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any client or prospective client.

38. Anschultz has and continues to engage in transactions, practices or a course of business as an investment adviser, which operates to defraud and deceive prospective and existing clients by Anschultz misrepresenting to clients that he does not need a license to act as a financial consultant on their behalf and by informing clients that his issues with the Department have been fully resolved.

39. Unless enjoined by this Court, Anschultz will continue to violate California Corporations Code Section 25235(b).

THIRD CAUSE OF ACTION
VIOLATIONS OF PRIOR DESIST AND REFRAIN ORDER ISSUED BY THE
COMMISSIONER
(Against Defendant Anschultz)

40. Plaintiff incorporates by reference paragraphs 1 through 39 of this Complaint as though fully set forth herein.

41. Corporations Code section 25530 provides, in pertinent part, as follows:

(a) Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this division or any rule or order hereunder, the commissioner may in the commissioner's discretion bring an action in the name of the people of the State of California in the superior court to enjoin the acts or practices or to enforce compliance with this law or any rule or order hereunder.... 9

1 42. On or about April 26, 2001, the Commissioner issued an administrative order against
2 Defendants Leedha and Anschultz, ordering them to immediately desist and refrain from engaging in
3 unlicensed investment adviser business in the state of California, unless and until it applied for and
4 secured from the Commissioner a certificate authorizing Leedha to conduct business as an
5 investment adviser or unless Leedha is exempted from the provisions of Corporations Code section
6 25230.

7 43. On October 1, 2005, the Commissioner issued an Order permanently barring Anschultz
8 from any position of employment, management and control of any investment adviser. On October
9 3, 2005, the Commissioner revoked Leedha's investment adviser certificate.

10 44. Notwithstanding the receipt and knowledge of the Desist and Refrain Order, Defendant
11 Anschultz continues to engage in the business of advising clients as to the value of securities and as
12 to the advisability of purchasing and selling securities for compensation, and as such is acting as an
13 investment adviser in the state of California without a license in violation of the Commissioner's
14 Order, and therefore should be enjoined from doing so.

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16 **FOURTH CAUSE OF ACTION**
17 **VIOLATION OF BAR ORDER ISSUED BY THE COMMISSIONER**
 (Against Defendant Anschultz)

18 45. Plaintiff incorporates by reference paragraphs 1 through 44 of this Complaint as
19 though fully set forth herein.

20 46. Corporations Code section 25530 provides, in pertinent part, as follows:

21 (a) Whenever it appears to the commissioner that any person has engaged or is about
22 to engage in any act or practice constituting a violation of any provision of this
23 division or any rule or order hereunder, the commissioner may in the commissioner's
24 discretion bring an action in the name of the people of the State of California in the
25 superior court to enjoin the acts or practices or to enforce compliance with this law or
26 any rule or order hereunder....

27 47. Corporations Code section 25232.1 provided, in pertinent part:

28 The commissioner may, after appropriate notice and opportunity for hearing, by order

censure, or suspend for a period not exceeding 12 months, or bar from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser, any officer, director, partner, employee of, or person performing similar functions for, an investment adviser, or any other person, if he or she finds that the censure, suspension or bar is in the public interest and that the person has committed any act or omission enumerated in subdivision (a), (e), (f), or (g) of Section 25232...

48. On or about June 29, 2005, Anschultz entered into a Stipulation, which included, among other things, an Order permanently barring Anschultz from any position of employment, management and control of any investment adviser, which became effective October 1, 2005.

49. Starting in September 2005 and continuing to the present, Defendant Anschultz either orally or through a written proposal offered clients to act as a financial consultant. In the written proposal, it stated that Anschultz, as an individual, planned to advise clients on investment portfolios for a fixed fee as of October 1, 2005, and after. Defendant Anschultz is therefore continuing to work in a position of employment, management and control of an investment adviser in violation of the Bar Order.

50. Notwithstanding the Stipulated Bar Order, Defendant Anschultz continues to act as an investment adviser in violation of this Order, and therefore should be enjoined from doing so.

FIFTH CAUSE OF ACTION
SPECIFIC PERFORMANCE OF CONTRACT
(Against All Defendants)

51. The Commissioner incorporates by reference paragraphs 1 through 50 of this complaint as though fully set forth herein.

52. California Civil Code Section 1550 provides as follows:

“... It is essential to the existence of a contract that there should be: 1) Parties capable of contracting; 2) Their consent; 3) A lawful object; and, 4) A sufficient cause or consideration.”

53. As described in paragraph 23 above, the Commissioner and Defendants Leedha and Anschultz entered into a Stipulation, dated June 29, 2005. The Stipulation constitutes a valid enforceable contract since it has all the elements of a valid contract and there are no defenses to its

1 enforcement.

2 54. Defendants Leedha and Anschultz have breached the Stipulation by failing to perform
3 the following acts:

4 a. Defendants Leedha and Anschultz failed to provide proof to the Department that its
5 clients were contacted in writing within ten (10) days from the date of the execution of the
6 Stipulation, and that the Stipulation was disclosed to the clients. Defendants Leedha and Anschultz
7 failed to notify clients of the Stipulation even after repeated assurances to the Department that they
8 would do so. In September 2005, the Department provided written notification of the Stipulation to
9 Leedha's clients;

10 b. Defendants Leedha and Anschultz failed to cooperate with the Commissioner's attempt
11 to conduct a field examination of Leedha in August 2005;

12 c. Defendant Anschultz failed to abide by the terms of the Stipulation and Stipulated Bar
13 Order, which permanently barred him from any position of employment, management and control of
14 any investment adviser, as of October 1, 2005; and

15 d. To date, Defendants Leedha and Anschultz have failed to disgorge any overcharged
16 investment advisory fees, which are estimated to be approximately \$55,056.25, to its investment
17 adviser clients. Explicitly, Anschultz has told some clients that he does not owe them money and
18 that he will not be paying them back. Further, by breaching other significant terms of the Stipulation
19 as described above, it is clear that Anschultz has made an implied anticipatory breach of this
20 provision in the Stipulation.

21 55. Plaintiff Commissioner performed all of the conditions on its part to be performed
22 under said agreement, including waiving its administrative penalties and costs.

23 56. As a result thereof, the Department, on behalf of Leedha's clients as third party
24 beneficiaries to the Stipulation, requests specific performance of the disgorgement provision in the
25 Stipulation, in the amount of \$55,056.25, together with interest thereon at the legal rate per annum
26 until said amounts are paid in full against Defendants Leedha and Anschultz, to be paid either
27 directly to the clients or to the Department on their behalf.

1 **PRAYER**

2 WHEREFORE, plaintiff prays for judgment as follows:

3 **I. AGAINST DEFENDANT ANSCHULTZ:**

4 1. For Orders of Temporary, Preliminary and Permanent Injunctions enjoining Defendant
5 Anschultz, and all persons acting in concert or participating with him, from directly or indirectly
6 violating:

7 a. California Corporations Code section 25230 by acting as an investment adviser
8 without a license.

9 b. California Corporations Code section 25235(b) by engaging in transactions,
10 practices, or a course of business to defraud or deceive any client or prospective client.

11 c. The Desist and Refrain Order, dated April 26, 2001.

12 d. The Bar Order issued against Defendant Anschultz, dated October 1, 2005.

13 2. For an Order of Final Judgment requiring Defendant Anschultz to pay a civil penalty not
14 to exceed \$25,000 for each violation of the CSL to the Department of Corporations as authorized by
15 Corporations Code section 25535. Penalties should be assessed for the following:

16 a. As to the First Cause of Action against Defendant Anschultz for at least \$100,000 for
17 violations of Corporations Code section 25230, or any amount according to proof;

18 b. As to the Second Cause of Action against Defendant Anschultz for at least \$100,000 for
19 violations of Corporations Code section 25235(b), or any amount according to proof;

20 c. As to the Third Cause of Action against Defendant Anschultz for at least \$100,000 for
21 violations of a Desist and Refrain Order, or any amount according to proof; and

22 d. As to the Fourth Cause of Action against Defendant Anschultz for at least \$100,000 for
23 violations of a Bar Order, or any amount according to proof.

24 **II. AGAINST ALL DEFENDANTS**

25 For the Fifth Cause of Action, specific performance of the disgorgement provision in the
26 Stipulation, in the amount of \$55,056.25, together with interest thereon at the legal rate per annum
27 until said amounts are paid in full against Defendants Leedha and Anschultz, to be paid either
28 directly to the clients or to the Department on their behalf.

1 **III. OTHER RELIEF:**

2 1. For an Order of Final Judgment that plaintiff recovers his costs and reasonable
3 attorneys' fees from defendants, and each of them, individually, jointly and severally.

4 2. For an Order that this court will retain jurisdiction of this action in order to implement
5 and carry out the terms of all orders and decrees that may be entered herein or to entertain any
6 suitable application or motion by Plaintiff for additional relief within the jurisdiction of this Court.

7 3. For such other and further relief as the Court deems necessary and proper.

8 Dated: December 2, 2005
9 Los Angeles, California

10 Respectfully submitted,

11 WAYNE STRUMPFER
12 Acting California Corporations Commissioner

13 By: _____
14 MICHELLE LIPTON
15 Senior Corporations Counsel
16 Attorney for Plaintiff
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